

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:169
ANSWERED ON:23.11.2005
FOREIGN COMPANIES IN IT SECTOR
Kathiria Dr. Vallabhbhai

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government proposes to promote foreign companies in the field of communications and information technology;
- (b) if so, the details thereof; and
- (c) the stage at which it stands at present?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) Yes, Sir.

(b) Foreign companies are permitted by the Government to participate in the field of communications and information technology as per extant foreign direct investment (FDI) policy either through automatic route or Foreign Investment Promotion Board (FIPB) route as applicable.

(c) A number of leading global companies have invested/are in the process of making investment in various sub-sectors like information technology hardware including telecom equipment manufacturing facilities, various telecom services, software, research and development, etc. To promote more FDI in telecom sector, recently the cap in certain services [such as Basic, Cellular, Unified Access Services, National/International Long Distance, V-Sat, Public Mobile Radio Trunked Services (PMRTS), Global Mobile Personal Communications Services (GMPCS) and other value added services] has been increased from 49% to 74%.